

United States Courts
Southern District of Texas
FILED

MAR 16 2017

David J. Bradley, Clerk of Court

UNITED STATES OF AMERICA

v.

**KENNETH J. COLEMAN,
MARCUS T. WEATHERSBY**

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CRIMINAL NO.

17CR0156

INDICTMENT

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

1. Defendant KENNETH J. COLEMAN ("COLEMAN") resided within the jurisdiction of the Southern District of Texas.
2. Defendant MARCUS T. WEATHERSBY ("WEATHERSBY") resided within the jurisdiction of the Southern District of Texas.
3. Alex Oria resided within the jurisdiction of the Southern District of Texas.
4. Green Valley Medical Distributors, LLC ("Green Valley"), was a Utah corporation incorporated on February 24, 2010, with office space located in St. George, Utah. Green Valley was a wholesale distribution company that purchased bottles of prescription medications from illegitimate sources and then sold those medications as "new" to pharmacies.
5. Acacia Pharma Distributors, Inc. ("Acacia") was a Mississippi corporation incorporated on December 16, 2010. Acacia was a wholesale distribution company that purchased bottles of prescription medications from illegitimate sources and then sold those medications to other wholesale distribution companies, including Green Valley. Acacia had a physical office in D'Iberville, Mississippi; however, Acacia primarily transacted business within Harris County, Texas.
6. Four Corner Suppliers, Inc. ("Four Corner") was a Mississippi corporation incorporated on July 14, 2011. Four Corner was a wholesale distribution company that purchased bottles of prescription medications from illegitimate sources and then sold those medications to other wholesale distribution companies, including Green Valley. Four Corner had a physical office in Gulfport, Mississippi; however, Four Corner primarily transacted business within Harris County, Texas.
7. Capital One Bank ("Capital One") was a financial institution headquartered in McLean, Virginia, which provided a wide range of consumer financial services, including

banking services and consumer and commercial loans. Capital One's deposit accounts were insured by the Federal Deposit Insurance Corporation ("FDIC").

8. Acacia maintained business checking accounts, account number ending in 7858 and 7866, with Capital One. Marcus Weathersby was the sole signatory to the Capital One accounts ending in 7858 and 7866.

9. Wells Fargo Bank ("Wells Fargo") was a financial institution headquartered in San Francisco, California, which provided a wide range of consumer financial services, including banking services and consumer and commercial loans. Wells Fargo's deposit accounts were insured by the FDIC.

10. Acacia maintained a business checking account, account number ending in 6320, with Wells Fargo. Marcus Weathersby was the sole signatory to the Wells Fargo account ending in 6320.

11. Four Corner maintained business checking accounts, account numbers ending in 2420 and 0622, with Wells Fargo. A co-conspirator ("CC-1") known to the grand jury was the sole signatory to the Wells Fargo accounts ending in 2420 and 0622.

12. JP Morgan Chase Bank, N.A. ("Chase") was a financial institution headquartered in New York, New York, which provided a wide range of consumer financial services, including banking services and consumer and commercial loans.

13. Chase's deposit accounts were insured by the FDIC.

14. Four Corner maintained business checking accounts, account numbers ending in 7268 and 7479, with Chase. CC-1 was the sole signatory to the Chase accounts ending in 7268 and 7479.

15. Comerica Bank ("Comerica") was a financial institution headquartered in Dallas, Texas, which provided a wide range of consumer financial services, including banking services and consumer and commercial loans. Comerica's deposit accounts were insured by the FDIC.

16. Four Corner maintained a business checking account, account number ending in 4261, with Comerica, a domestic financial institution. CC-1 was the sole signatory to the Comerica account ending in 4261.

17. The Internal Revenue Service ("IRS") was an agency of the United States Department of Treasury responsible for administering the tax laws and collecting taxes owed to the United States.

18. Financial institutions that engaged in a currency transaction involving more than \$10,000 in U.S. currency were and are required by law to file a report of the transaction, known as a Currency Transaction Report ("CTR"), with the United States Department of the Treasury.

COUNT ONE
(Conspiracy to Structure Currency Transactions)

19. Paragraphs 1– 17 are re-alleged and incorporated by reference herein.

20. Beginning on or about February 4, 2011, and continuing through on or about July 21, 2012, in Harris County, in the Southern District of Texas and elsewhere, KENNETH J. COLEMAN and MARCUS T. WEATHERSBY, the defendants herein, and others known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree together and with each other for the purpose of evading the reporting requirements established under 31 U.S.C. Section 5313(a), and the regulations promulgated thereunder, to cause and attempt to cause a domestic financial institution to fail to file a report required under section 5313(a) or 5325, or any regulation prescribed under such section, or to file a report or to maintain a record required by an order issued under section 5326, and to knowingly structure, attempt to structure, and assist in structuring at a domestic financial institution subject to the reporting requirements of 31 U.S.C. Section 5313(a), in violation of Title 31, United States Code, Sections 5324(a)(1), (a)(3), and (d)(1), and thereafter performed one or more acts in furtherance of the object of their conspiracy.

Object of the Conspiracy

21. It was the purpose and object of the conspiracy, among others, for the defendants and their co-conspirators to enrich themselves by depositing the proceeds generated from the fraudulent sale of second-hand prescription medications and making multiple cash withdrawals of U.S. Currency from business bank accounts in a manner that evaded the filing of a CTR by the bank.

Manner and Means

22. COLEMAN, WEATHERSBY and others would and did file and cause the filing of articles of incorporation to create nominee corporations.

23. COLEMAN, WEATHERSBY and others would and did open and cause others to open business checking accounts with Capital One, Wells Fargo, Chase, and Comerica titled in the names of the nominee corporations.

24. COLEMAN, WEATHERSBY and others would and did withdraw not more than \$10,000 in any one cash withdrawal in order to avoid the filing of CTRs by these financial institutions.

25. COLEMAN would and did pay WEATHERSBY and others to conduct banking transactions to benefit COLEMAN.

26. WEATHERSBY and others would and did deliver the cash withdrawn from the business checking accounts titled in the names of the nominee corporations to COLEMAN.

Overt Acts

27. In furtherance of the conspiracy and to effect the objects thereof, and as directed by COLEMAN, WEATHERSBY and others made cash withdrawals of U.S. currency as more fully set forth in the chart below, each subparagraph constituting a separate overt act:

Paragraph	Company	Financial Institution	Account Ending	Date	Amount Withdrawn
27-A	Acacia	Capital One	7858	Friday, February 04, 2011	\$9,500.00
27-B	Acacia	Capital One	7858	Tuesday, February 08, 2011	\$9,275.00
27-C	Acacia	Capital One	7858	Tuesday, February 08, 2011	\$8,500.00
27-D	Acacia	Capital One	7858	Friday, February 11, 2011	\$3,261.00
27-E	Acacia	Capital One	7858	Monday, February 28, 2011	\$9,500.00
27-F	Acacia	Capital One	7858	Monday, February 28, 2011	\$3,000.00
27-G	Acacia	Capital One	7858	Friday, March 04, 2011	\$9,500.00
27-H	Acacia	Capital One	7858	Thursday, March 10, 2011	\$8,500.00
27-I	Acacia	Capital One	7858	Friday, March 11, 2011	\$8,500.00
27-J	Acacia	Capital One	7858	Friday, March 11, 2011	\$3,580.38
27-K	Acacia	Capital One	7866	Tuesday, March 22, 2011	\$7,500.00
27-L	Acacia	Capital One	7866	Wednesday, March 23, 2011	\$6,600.00
27-M	Acacia	Capital One	7866	Wednesday, March 23, 2011	\$2,400.00
27-N	Acacia	Capital One	7866	Thursday, March 24, 2011	\$2,000.00
27-O	Acacia	Capital One	7866	Friday, March 25, 2011	\$3,000.00
27-P	Acacia	Capital One	7866	Friday, March 25, 2011	\$2,500.00
27-Q	Acacia	Capital One	7866	Friday, March 25, 2011	\$2,000.00
27-R	Acacia	Capital One	7866	Monday, March 28, 2011	\$9,000.00
27-S	Acacia	Capital One	7866	Tuesday, March 29, 2011	\$9,000.00
27-T	Acacia	Capital One	7866	Wednesday, March 30, 2011	\$6,000.00
27-U	Acacia	Capital One	7866	Thursday, March 31, 2011	\$9,000.00
27-V	Acacia	Capital One	7866	Monday, April 04, 2011	\$9,500.00
27-W	Acacia	Capital One	7866	Monday, April 04, 2011	\$9,000.00
27-X	Acacia	Capital One	7866	Tuesday, April 05, 2011	\$9,000.00
27-Y	Acacia	Capital One	7866	Wednesday, April 06, 2011	\$9,500.00
27-Z	Acacia	Capital One	7866	Thursday, April 07, 2011	\$9,500.00
27-AA	Acacia	Capital One	7866	Friday, April 08, 2011	\$9,500.00
27-AB	Acacia	Capital One	7866	Monday, April 11, 2011	\$9,500.00
27-AC	Acacia	Capital One	7866	Monday, April 11, 2011	\$9,000.00
27-AD	Acacia	Capital One	7866	Tuesday, April 12, 2011	\$9,000.00

Paragraph	Company	Financial Institution	Account Ending	Date	Amount Withdrawn
27-AE	Acacia	Capital One	7866	Wednesday, April 13, 2011	\$9,500.00
27-AF	Acacia	Capital One	7866	Thursday, April 14, 2011	\$9,500.00
27-AG	Acacia	Capital One	7866	Friday, April 15, 2011	\$9,700.00
27-AH	Acacia	Capital One	7866	Monday, April 18, 2011	\$9,785.37
27-AI	Acacia	Capital One	7866	Monday, April 18, 2011	\$9,625.00
27-AJ	Acacia	Wells Fargo	6320	Monday, April 18, 2011	\$9,500.00
27-AK	Acacia	Capital One	7866	Tuesday, April 19, 2011	\$9,500.00
27-AL	Acacia	Wells Fargo	6320	Tuesday, April 19, 2011	\$9,500.00
27-AM	Acacia	Capital One	7866	Wednesday, April 20, 2011	\$9,000.00
27-AN	Acacia	Wells Fargo	6320	Wednesday, April 20, 2011	\$9,500.00
27-AO	Acacia	Wells Fargo	6320	Wednesday, April 20, 2011	\$9,500.00
27-AP	Acacia	Capital One	7866	Thursday, April 21, 2011	\$9,500.00
27-AQ	Acacia	Wells Fargo	6320	Thursday, April 21, 2011	\$9,500.00
27-AR	Acacia	Wells Fargo	6320	Thursday, April 21, 2011	\$6,753.36
27-AS	Acacia	Capital One	7866	Friday, April 22, 2011	\$9,432.78
27-AT	Acacia	Wells Fargo	6320	Friday, April 22, 2011	\$9,735.87
27-AU	Acacia	Capital One	7866	Monday, April 25, 2011	\$9,500.00
27-AV	Acacia	Wells Fargo	6320	Monday, April 25, 2011	\$9,500.00
27-AW	Acacia	Capital One	7866	Tuesday, April 26, 2011	\$9,500.00
27-AX	Acacia	Wells Fargo	6320	Tuesday, April 26, 2011	\$7,500.00
27-AY	Acacia	Capital One	7866	Wednesday, April 27, 2011	\$9,500.00
27-AZ	Acacia	Wells Fargo	6320	Wednesday, April 27, 2011	\$9,500.00
27-BA	Acacia	Capital One	7866	Thursday, April 28, 2011	\$9,500.00
27-BB	Acacia	Capital One	7866	Friday, April 29, 2011	\$9,600.00
27-BC	Acacia	Wells Fargo	6320	Friday, April 29, 2011	\$9,700.00
27-BD	Acacia	Capital One	7866	Tuesday, May 03, 2011	\$9,500.00
27-BE	Acacia	Capital One	7866	Tuesday, May 03, 2011	\$9,500.00
27-BF	Acacia	Wells Fargo	6320	Tuesday, May 03, 2011	\$9,300.00
27-BG	Acacia	Capital One	7866	Wednesday, May 04, 2011	\$9,500.00
27-BH	Acacia	Wells Fargo	6320	Wednesday, May 04, 2011	\$5,000.00
27-BI	Acacia	Capital One	7866	Thursday, May 05, 2011	\$9,500.00
27-BJ	Acacia	Wells Fargo	6320	Thursday, May 05, 2011	\$7,000.00
27-BK	Acacia	Capital One	7866	Friday, May 06, 2011	\$9,000.00
27-BL	Acacia	Capital One	7866	Monday, May 09, 2011	\$9,000.00
27-BM	Acacia	Wells Fargo	6320	Monday, May 09, 2011	\$9,000.00
27-BN	Acacia	Wells Fargo	6320	Tuesday, May 10, 2011	\$9,000.00

Paragraph	Company	Financial Institution	Account Ending	Date	Amount Withdrawn
27-BO	Acacia	Capital One	7866	Tuesday, May 10, 2011	\$9,500.00
27-BP	Acacia	Capital One	7866	Thursday, May 12, 2011	\$9,500.00
27-BQ	Acacia	Capital One	7866	Thursday, May 12, 2011	\$9,500.00
27-BR	Acacia	Wells Fargo	6320	Thursday, May 12, 2011	\$9,500.00
27-BS	Acacia	Capital One	7866	Friday, May 13, 2011	\$9,000.00
27-BT	Acacia	Wells Fargo	6320	Friday, May 13, 2011	\$9,000.00
27-BU	Acacia	Capital One	7866	Monday, May 16, 2011	\$9,000.00
27-BV	Acacia	Capital One	7866	Tuesday, May 17, 2011	\$9,500.00
27-BW	Acacia	Wells Fargo	6320	Tuesday, May 17, 2011	\$9,500.00
27-BX	Acacia	Capital One	7866	Wednesday, May 18, 2011	\$9,500.00
27-BY	Acacia	Wells Fargo	6320	Thursday, May 19, 2011	\$9,500.00
27-BZ	Acacia	Wells Fargo	6320	Thursday, May 19, 2011	\$9,500.00
27-CA	Acacia	Capital One	7866	Thursday, May 19, 2011	\$9,500.00
27-CB	Acacia	Capital One	7866	Friday, May 20, 2011	\$7,000.00
27-CC	Acacia	Wells Fargo	6320	Friday, May 20, 2011	\$9,500.00
27-CD	Acacia	Wells Fargo	6320	Monday, May 23, 2011	\$9,500.00
27-CE	Acacia	Capital One	7866	Tuesday, May 24, 2011	\$9,500.00
27-CF	Acacia	Capital One	7866	Tuesday, May 24, 2011	\$9,500.00
27-CG	Acacia	Wells Fargo	6320	Tuesday, May 24, 2011	\$9,500.00
27-CH	Acacia	Capital One	7866	Wednesday, May 25, 2011	\$9,500.00
27-CI	Acacia	Wells Fargo	6320	Thursday, May 26, 2011	\$9,000.00
27-CJ	Acacia	Capital One	7866	Friday, May 27, 2011	\$9,000.00
27-CK	Acacia	Wells Fargo	6320	Friday, May 27, 2011	\$9,500.00
27-CL	Acacia	Capital One	7866	Tuesday, May 31, 2011	\$9,500.00
27-CM	Acacia	Wells Fargo	6320	Tuesday, May 31, 2011	\$9,500.00
27-CN	Acacia	Capital One	7866	Wednesday, June 01, 2011	\$9,500.00
27-CO	Acacia	Capital One	7866	Wednesday, June 01, 2011	\$9,500.00
27-CP	Acacia	Wells Fargo	6320	Wednesday, June 01, 2011	\$9,500.00
27-CQ	Acacia	Capital One	7866	Thursday, June 02, 2011	\$9,500.00
27-CR	Acacia	Wells Fargo	6320	Thursday, June 02, 2011	\$9,500.00
27-CS	Acacia	Capital One	7866	Friday, June 03, 2011	\$9,500.00
27-CT	Acacia	Wells Fargo	6320	Friday, June 03, 2011	\$9,500.00
27-CU	Acacia	Capital One	7866	Monday, June 06, 2011	\$9,500.00
27-CV	Acacia	Wells Fargo	6320	Monday, June 06, 2011	\$9,500.00
27-CW	Acacia	Capital One	7866	Tuesday, June 07, 2011	\$9,500.00
27-CX	Acacia	Wells Fargo	6320	Tuesday, June 07, 2011	\$9,500.00

Paragraph	Company	Financial Institution	Account Ending	Date	Amount Withdrawn
27-CY	Acacia	Wells Fargo	6320	Wednesday, June 08, 2011	\$9,500.00
27-CZ	Acacia	Capital One	7866	Wednesday, June 08, 2011	\$9,500.00
27-DA	Acacia	Wells Fargo	6320	Thursday, June 09, 2011	\$9,500.00
27-DB	Acacia	Capital One	7866	Thursday, June 09, 2011	\$9,500.00
27-DC	Acacia	Wells Fargo	6320	Friday, June 10, 2011	\$9,500.00
27-DD	Acacia	Capital One	7866	Friday, June 10, 2011	\$9,500.00
27-DE	Acacia	Wells Fargo	6320	Monday, June 13, 2011	\$9,500.00
27-DF	Acacia	Capital One	7866	Monday, June 13, 2011	\$9,500.00
27-DG	Acacia	Capital One	7866	Wednesday, June 15, 2011	\$9,500.00
27-DH	Acacia	Wells Fargo	6320	Thursday, June 16, 2011	\$9,500.00
27-DI	Acacia	Wells Fargo	6320	Thursday, June 16, 2011	\$9,500.00
27-DJ	Acacia	Capital One	7866	Thursday, June 16, 2011	\$9,500.00
27-DK	Acacia	Wells Fargo	6320	Friday, June 17, 2011	\$9,500.00
27-DL	Acacia	Capital One	7866	Friday, June 17, 2011	\$9,500.00
27-DM	Acacia	Capital One	7866	Monday, June 20, 2011	\$9,500.00
27-DN	Acacia	Wells Fargo	6320	Tuesday, June 21, 2011	\$9,500.00
27-DO	Acacia	Wells Fargo	6320	Tuesday, June 21, 2011	\$9,500.00
27-DP	Acacia	Capital One	7866	Tuesday, June 21, 2011	\$9,500.00
27-DQ	Acacia	Wells Fargo	6320	Wednesday, June 22, 2011	\$9,500.00
27-DR	Acacia	Wells Fargo	6320	Thursday, June 23, 2011	\$9,500.00
27-DS	Acacia	Wells Fargo	6320	Thursday, June 30, 2011	\$9,500.00
27-DT	Acacia	Wells Fargo	6320	Friday, July 01, 2011	\$9,500.00
27-DU	Acacia	Wells Fargo	6320	Tuesday, July 05, 2011	\$9,500.00
27-DV	Acacia	Wells Fargo	6320	Thursday, July 07, 2011	\$9,500.00
27-DW	Acacia	Wells Fargo	6320	Friday, July 08, 2011	\$9,500.00
27-DX	Acacia	Wells Fargo	6320	Monday, July 11, 2011	\$9,500.00
27-DY	Acacia	Wells Fargo	6320	Tuesday, July 12, 2011	\$9,500.00
27-DZ	Acacia	Wells Fargo	6320	Wednesday, July 13, 2011	\$9,500.00
27-EA	Acacia	Wells Fargo	6320	Thursday, July 14, 2011	\$9,500.00
27-EB	Acacia	Wells Fargo	6320	Friday, July 15, 2011	\$9,500.00
27-EC	Acacia	Wells Fargo	6320	Monday, July 18, 2011	\$9,500.00
27-ED	Acacia	Wells Fargo	6320	Tuesday, July 19, 2011	\$9,500.00
27-EE	Acacia	Wells Fargo	6320	Wednesday, July 20, 2011	\$9,500.00
27-EF	Acacia	Wells Fargo	6320	Thursday, July 21, 2011	\$9,500.00
27-EG	Acacia	Wells Fargo	6320	Friday, July 22, 2011	\$9,500.00
27-EH	Acacia	Wells Fargo	6320	Monday, July 25, 2011	\$9,500.00

Paragraph	Company	Financial Institution	Account Ending	Date	Amount Withdrawn
27-EI	Acacia	Wells Fargo	6320	Tuesday, July 26, 2011	\$9,500.00
27-EJ	Acacia	Wells Fargo	6320	Wednesday, July 27, 2011	\$9,500.00
27-EK	Acacia	Wells Fargo	6320	Thursday, July 28, 2011	\$9,500.00
27-EL	Acacia	Wells Fargo	6320	Friday, July 29, 2011	\$9,500.00
27-EM	Acacia	Wells Fargo	6320	Monday, August 01, 2011	\$9,500.00
27-EN	Acacia	Wells Fargo	6320	Tuesday, August 02, 2011	\$9,500.00
27-EO	Acacia	Wells Fargo	6320	Wednesday, August 03, 2011	\$9,500.00
27-EP	Acacia	Wells Fargo	6320	Thursday, August 04, 2011	\$9,500.00
27-EQ	Acacia	Wells Fargo	6320	Friday, August 05, 2011	\$9,500.00
27-ER	Acacia	Wells Fargo	6320	Monday, August 08, 2011	\$9,500.00
27-ES	Acacia	Wells Fargo	6320	Tuesday, August 09, 2011	\$9,500.00
27-ET	Acacia	Wells Fargo	6320	Wednesday, August 10, 2011	\$9,500.00
27-EU	Acacia	Wells Fargo	6320	Thursday, August 11, 2011	\$9,500.00
27-EV	Acacia	Wells Fargo	6320	Friday, August 12, 2011	\$9,500.00
27-EW	Acacia	Wells Fargo	6320	Monday, August 15, 2011	\$9,500.00
27-EX	Acacia	Wells Fargo	6320	Friday, August 26, 2011	\$9,500.00
27-EY	Acacia	Wells Fargo	6320	Monday, August 29, 2011	\$6,000.00
27-EZ	Acacia	Wells Fargo	6320	Wednesday, August 31, 2011	\$9,500.00
27-FA	Acacia	Wells Fargo	6320	Thursday, September 01, 2011	\$1,125.00
27-FB	Acacia	Wells Fargo	6320	Thursday, September 01, 2011	\$9,500.00
27-FC	Acacia	Wells Fargo	6320	Friday, September 02, 2011	\$9,500.00
27-FD	Acacia	Wells Fargo	6320	Tuesday, September 06, 2011	\$9,500.00
27-FE	Acacia	Wells Fargo	6320	Thursday, September 08, 2011	\$9,500.00
27-FF	Acacia	Wells Fargo	6320	Wednesday, September 14, 2011	\$9,500.00
27-FG	Acacia	Wells Fargo	6320	Thursday, September 15, 2011	\$9,500.00
27-FH	Acacia	Wells Fargo	6320	Friday, September 16, 2011	\$9,500.00
27-FI	Acacia	Wells Fargo	6320	Monday, September 19, 2011	\$5,500.00
27-FJ	Acacia	Wells Fargo	6320	Friday, October 07, 2011	\$5,000.00
27-FK	Acacia	Wells Fargo	6320	Thursday, October 13, 2011	\$5,000.00
27-FL	Acacia	Wells Fargo	6320	Monday, December 05, 2011	\$5,000.00
27-FM	Acacia	Wells Fargo	6320	Friday, December 09, 2011	\$2,500.00
27-FN	Acacia	Wells Fargo	6320	Tuesday, December 13, 2011	\$5,000.00
27-FO	Acacia	Wells Fargo	6320	Friday, December 16, 2011	\$7,500.00
27-FP	Acacia	Wells Fargo	6320	Monday, December 19, 2011	\$9,000.00
27-FQ	Acacia	Wells Fargo	6320	Tuesday, December 27, 2011	\$9,500.00
27-FR	Acacia	Wells Fargo	6320	Friday, December 30, 2011	\$5,000.00

Paragraph	Company	Financial Institution	Account Ending	Date	Amount Withdrawn
27-FS	Acacia	Wells Fargo	6320	Tuesday, January 03, 2012	\$9,500.00
27-FT	Acacia	Wells Fargo	6320	Friday, January 06, 2012	\$1,600.00
27-FU	Acacia	Wells Fargo	6320	Friday, January 13, 2012	\$4,900.00
27-FV	Acacia	Wells Fargo	6320	Tuesday, January 17, 2012	\$9,500.00
27-FW	Acacia	Wells Fargo	6320	Monday, January 23, 2012	\$9,500.00
27-FX	Acacia	Wells Fargo	6320	Tuesday, January 24, 2012	\$5,000.00
27-FY	Acacia	Wells Fargo	6320	Wednesday, February 01, 2012	\$5,500.00
27-FZ	Acacia	Wells Fargo	6320	Friday, February 03, 2012	\$5,000.00
27-GA	Acacia	Wells Fargo	6320	Thursday, February 09, 2012	\$1,500.00
27-GB	Acacia	Wells Fargo	6320	Monday, February 13, 2012	\$4,000.00
27-GC	Acacia	Wells Fargo	6320	Friday, February 17, 2012	\$4,500.00
27-GD	Acacia	Wells Fargo	6320	Friday, February 17, 2012	\$5,000.00
27-GE	Four Corner	Wells Fargo	2420	Friday, March 30, 2012	\$9,500.00
27-GF	Four Corner	Wells Fargo	0622	Monday, April 02, 2012	\$9,500.00
27-GG	Four Corner	Wells Fargo	0622	Tuesday, April 03, 2012	\$9,500.00
27-GH	Four Corner	Wells Fargo	0622	Wednesday, April 04, 2012	\$9,500.00
27-GI	Four Corner	Wells Fargo	0622	Thursday, April 05, 2012	\$1,998.00
27-GJ	Four Corner	Wells Fargo	0622	Monday, April 09, 2012	\$9,500.00
27-GK	Four Corner	Wells Fargo	0622	Tuesday, April 10, 2012	\$9,500.00
27-GL	Four Corner	Wells Fargo	0622	Wednesday, April 11, 2012	\$9,500.00
27-GM	Four Corner	Wells Fargo	0622	Thursday, April 12, 2012	\$9,500.00
27-GN	Four Corner	Wells Fargo	2420	Friday, April 13, 2012	\$8,000.00
27-GO	Four Corner	Wells Fargo	0622	Monday, April 16, 2012	\$9,500.00
27-GP	Four Corner	Wells Fargo	0622	Tuesday, April 17, 2012	\$9,500.00
27-GQ	Four Corner	Chase	7268	Wednesday, April 25, 2012	\$9,500.00
27-GR	Four Corner	Chase	7268	Friday, April 27, 2012	\$8,000.00
27-GS	Four Corner	Chase	7268	Monday, April 30, 2012	\$9,500.00
27-GT	Four Corner	Chase	7268	Tuesday, May 01, 2012	\$9,500.00
27-GU	Four Corner	Chase	7268	Wednesday, May 02, 2012	\$8,000.00
27-GV	Four Corner	Chase	7268	Friday, May 04, 2012	\$9,700.00
27-GW	Four Corner	Chase	7268	Thursday, May 10, 2012	\$9,000.00
27-GX	Four Corner	Chase	7268	Tuesday, May 15, 2012	\$2,700.00
27-GY	Four Corner	Comerica	4261	Wednesday, May 16, 2012	\$6,000.00
27-GZ	Four Corner	Chase	7268	Wednesday, May 16, 2012	\$9,500.00
27-HA	Four Corner	Chase	7268	Thursday, May 17, 2012	\$9,000.00
27-HB	Four Corner	Chase	7268	Thursday, May 24, 2012	\$7,698.00

Paragraph	Company	Financial Institution	Account Ending	Date	Amount Withdrawn
27-HC	Four Corner	Comerica	4261	Friday, May 25, 2012	\$9,500.00
27-HD	Four Corner	Comerica	4261	Saturday, May 26, 2012	\$9,500.00
27-HE	Four Corner	Chase	7479	Tuesday, May 29, 2012	\$9,480.00
27-HF	Four Corner	Comerica	4261	Thursday, May 31, 2012	\$9,500.00
27-HG	Four Corner	Chase	7268	Thursday, May 31, 2012	\$9,500.00
27-HH	Four Corner	Comerica	4261	Friday, June 01, 2012	\$9,500.00
27-HI	Four Corner	Chase	7268	Friday, June 01, 2012	\$9,500.00
27-HJ	Four Corner	Comerica	4261	Monday, June 04, 2012	\$9,500.00
27-HK	Four Corner	Chase	7268	Monday, June 04, 2012	\$8,000.00
27-HL	Four Corner	Chase	7268	Wednesday, June 06, 2012	\$9,000.00
27-HM	Four Corner	Comerica	4261	Friday, June 08, 2012	\$8,000.00
27-HN	Four Corner	Comerica	4261	Monday, June 11, 2012	\$6,000.00
27-HO	Four Corner	Comerica	4261	Tuesday, June 12, 2012	\$6,500.00
27-HP	Four Corner	Comerica	4261	Wednesday, June 13, 2012	\$5,000.00
27-HQ	Four Corner	Comerica	4261	Thursday, June 14, 2012	\$5,000.00
27-HR	Four Corner	Comerica	4261	Friday, June 15, 2012	\$7,500.00
27-HS	Four Corner	Comerica	4261	Monday, June 18, 2012	\$7,500.00
27-HT	Four Corner	Comerica	4261	Tuesday, June 19, 2012	\$5,000.00
27-HU	Four Corner	Comerica	4261	Wednesday, June 20, 2012	\$5,000.00
27-HV	Four Corner	Comerica	4261	Thursday, June 21, 2012	\$9,500.00
27-HW	Four Corner	Chase	7268	Thursday, June 21, 2012	\$9,500.00
27-HX	Four Corner	Chase	7268	Friday, June 22, 2012	\$9,500.00
27-HY	Four Corner	Comerica	4261	Saturday, June 23, 2012	\$9,500.00
27-HZ	Four Corner	Chase	7268	Monday, June 25, 2012	\$2,500.00
27-IA	Four Corner	Comerica	4261	Friday, June 29, 2012	\$7,500.00
27-IB	Four Corner	Comerica	4261	Monday, July 02, 2012	\$9,500.00
27-IC	Four Corner	Comerica	4261	Thursday, July 05, 2012	\$6,000.00
27-ID	Four Corner	Comerica	4261	Friday, July 06, 2012	\$4,750.00
27-IE	Four Corner	Comerica	4261	Friday, July 13, 2012	\$7,500.00
27-IF	Four Corner	Comerica	4261	Saturday, July 21, 2012	\$9,000.00
27-IG	Four Corner	Chase	7268	Saturday, July 21, 2012	\$8,500.00

All in violation of 18 United States Code, Section 371.

COUNT TWO
(Conspiracy to Commit Money Laundering)

28. Paragraphs 1 – 17 and Paragraphs 22-27 are re-alleged and incorporated by reference herein.

29. COLEMAN made an agreement with co-conspirator, Alex Oria, and others known and unknown to the Grand Jury, to facilitate the fraudulent sale of second-hand prescription medications to Green Valley. Oria was a broker in a national, underground market supplied by a scheme to defraud Medicaid of hundreds of millions of dollars. The prescription medications involved in this scheme had been dispensed to Medicaid recipients in New York and elsewhere who then sold them on the streets for pennies on the dollar. Oria dealt in wholesale amounts of these prescription medications that had been illegally diverted into underground distribution channels. The Medicaid program would not have paid the claims by the original recipients of the drugs if the recipients had disclosed that they were selling the drugs to third parties.

30. Acacia and Four Corner purported to be legitimate wholesale distributors of pharmaceuticals licensed and operating in Mississippi, but in fact, were nominee corporations COLEMAN caused to be formed to facilitate Oria's sale of the second-hand prescription drugs to Green Valley.

31. Federal regulations require wholesale distributors of prescription medications to provide to a buyer a written statement identifying each prior sale, purchase, or trade of the drugs being sold. This statement, called a "pedigree," must provide the business name and address of all parties to these prior transactions, starting with the manufacturer.

32. COLEMAN, WEATHERSBY, and others known and unknown to the Grand Jury, created false pedigrees containing false representations regarding the source of the prescription medications and the number of prior sales, purchases, and trades of the prescription medications between Acacia and Four Corner and the manufacturer.

33. Green Valley would and did withhold payment for the prescription medications shipped to Green Valley by Acacia and Four Corner until it had received these false pedigrees.

34. From on or about March 18, 2011, through at least July 23, 2012, in the Southern District of Texas and elsewhere, the defendants, KENNETH J. COLEMAN, MARCUS T. WEATHERSBY, and others known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree to commit the following offenses:

- a) to conduct and attempt to conduct financial transactions affecting interstate and foreign commerce and involving the proceeds of a specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1347, with the intent to promote the carrying on of such specified unlawful activity, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i); and

- b) to conduct and attempt to conduct financial transactions affecting interstate and foreign commerce and involving the proceeds of a specified unlawful activity, that is, health care fraud, in violation of Title 18, United States Code, Section 1347, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of said specified unlawful activity, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

Purpose and Object of the Conspiracy

35. It was the purpose and object of the conspiracy, for the Defendants KENNETH J. COLEMAN, MARCUS T. WEATHERSBY and others to unlawfully enrich themselves by using the proceeds generated from the illegal sale of second-hand prescription medications.

Manner and Means of Money Laundering Conspiracy

36. The Defendants would and did deposit and caused to be deposited, cash or wire-transferred funds, or a combination thereof, into nominee business bank accounts.

37. The Defendants would and did withdraw and cause the withdrawal of proceeds from the illegal sale of second-hand prescription medications from nominee business bank accounts in order to purchase prescription medications for resale.

38. The Defendants would and did withdraw and cause the withdrawal of cash from nominee business bank accounts.

All in violation of Title 18, United States Code, Section 1956(h).

COUNT THREE

(Tax Evasion - Acacia Pharma Distributors, Inc.)

39. Paragraphs 1-17, Paragraphs 22-26, and Paragraphs 36-38 are re-alleged and incorporated by reference herein.

40. During the calendar year 2011, Acacia Pharma Distributors, Inc., a corporation that had its principal place of business in Harris County, Texas, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts, and that Acacia Pharma Distributors, Inc. neither made an income tax return on or before March 15, 2012, as required by law, to any proper officer of the Internal Revenue Service, nor paid the income tax to the Internal Revenue Service, KENNETH J. COLEMAN, from on or about January 1, 2011, through at least on or about March 15, 2012, in the Southern District of Texas and elsewhere, willfully attempted to evade and defeat income tax due and owing by Acacia Pharma Distributors, Inc. for the calendar year 2011, by, among other things, structuring cash withdrawals from corporate bank accounts to conceal the unreported income.

All in violation of Title 26, United States Code, Section 7201.

COUNT FOUR
(Failure to File - Acacia Pharma Distributors, Inc.)

41. Paragraphs 1-17, Paragraphs 22-26, and Paragraphs 36-38 are re-alleged and incorporated by reference herein.

42. During the calendar year 2011, the defendant, KENNETH J. COLEMAN, was the owner of Acacia Pharma Distributors, Inc., a corporation not expressly exempt from tax, with its principal place of business in Harris County, Texas. He therefore was required by law, after the close of the calendar year 2011 and on or before March 15, 2012, to make an income tax return, for and on behalf of the corporation, to the Internal Revenue Service Center, at Ogden, Utah, or to the person assigned to receive returns at the local office of the Internal Revenue Service, stating specifically the items of the corporation's gross income and the deductions and credits allowed by law. Well knowing and believing all of the foregoing, he did willfully fail, on or about March 15, 2012, in the Southern District of Texas and elsewhere, to make an income tax return at the time required by law.

All in violation of Title 26, United States Code, Section 7203.

COUNT FIVE
(Failure to File – Kenneth J. Coleman)

43. Paragraphs 1-17, Paragraphs 22-27, and Paragraphs 36-38 are re-alleged and incorporated by reference herein.

44. During the calendar year 2011, KENNETH J. COLEMAN, while residing within the jurisdiction of the Southern District of Texas, had and received gross income in excess of \$19,000. By reason of such gross income, he was required by law, following the close of the calendar year 2011 and on or before April 17, 2012, to make an income tax return to the Internal Revenue Service Center, at Austin, Texas, or to the person assigned to receive returns at the local office of the Internal Revenue Service, or to another Internal Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the items of his gross income and any deductions and credits to which he was entitled. Well knowing and believing all of the foregoing, he did willfully fail, on or about April 17, 2012, in the Southern District of Texas and elsewhere, to make an income tax return.

All in violation of Title 26, United States Code, Section 7203.

COUNT SIX
(Tax Evasion - Four Corner Suppliers, Inc.)

45. Paragraphs 1-17, Paragraphs 22-26, and Paragraphs 36-38 are re-alleged and incorporated by reference herein.

46. During the calendar year 2012, Four Corner Suppliers, Inc., a corporation that had its principal place of business in Harris County, Texas, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts, and that Four Corner Suppliers, Inc. neither made an income tax return on or before March

15, 2013, as required by law, to any proper officer of the Internal Revenue Service, nor paid the income tax to the Internal Revenue Service, KENNETH J. COLEMAN, from on or about January 1, 2012, through at least on or about March 15, 2013, in the Southern District of Texas and elsewhere, willfully attempted to evade and defeat income tax due and owing by Four Corner Suppliers, Inc. for the calendar year 2012, by committing the following affirmative acts, among others:

- a. structuring cash withdrawals from corporate bank accounts to conceal the unreported income; and
- b. falsely stating to CC-1 that COLEMAN would assume all responsibility for filing federal tax returns for Four Corner.

All in violation of Title 26, United States Code, Section 7201.

COUNT SEVEN
(Failure to File - Four Corner Suppliers, Inc.)

47. Paragraphs 1-17, Paragraphs 22-26, and Paragraphs 36-38 are re-alleged and incorporated by reference herein.

48. During the calendar year 2012, the defendant, KENNETH J. COLEMAN, was the owner of Four Corner Suppliers, Inc., a corporation not expressly exempt from tax, with its principal place of business in Harris County, Texas. He therefore was required by law, after the close of the calendar year 2012 and on or before March 15, 2013, to make an income tax return, for and on behalf of the corporation, to the Internal Revenue Service Center, at Ogden, Utah, or to the person assigned to receive returns at the local office of the Internal Revenue Service, stating specifically the items of the corporation's gross income and the deductions and credits allowed by law. Well knowing and believing all of the foregoing, he did willfully fail, on or about March 15, 2013, in the Southern District of Texas and elsewhere, to make an income tax return at the time required by law.

All in violation of Title 26, United States Code, Section 7203.

COUNT EIGHT
(Willfully Filing a Materially False Return – Kenneth J. Coleman)

49. Paragraphs 1-17, Paragraphs 22-27, and Paragraphs 36-38 are re-alleged and incorporated by reference herein.

50. On or about June 19, 2014, in the Southern District of Texas, KENNETH J. COLEMAN did willfully make and subscribe an IRS Form 1040, U.S. Individual Income Tax Return, for the calendar year 2012, which was verified by a written declaration that it was made under the penalties of perjury and which KENNETH J. COLEMAN did not believe to be true and correct as to every material matter. That income tax return, which was filed with the IRS, reported on line 22 that Coleman earned zero income, whereas, as the defendant then and there knew and believed, he had earned taxable income during tax year 2012.

In violation of Title 26, United States Code, Section 7206(1).

COUNT NINE
(Willfully Filing a Materially False Return)

51. Paragraphs 1-17, Paragraphs 22-26, and Paragraphs 36-38 are re-alleged and incorporated by reference herein.

52. Keygrip Wholesaler, Inc. (“Keygrip”) was a South Dakota corporation incorporated on July 12, 2012. Keygrip had a physical office in Rapid City, South Dakota; however, Keygrip primarily transacted business within Harris County, Texas. KENNETH J. COLEMAN was the president of Keygrip.

53. On or about August 13, 2014, in the Southern District of Texas, KENNETH J. COLEMAN did willfully make and subscribe an IRS Form 1040, U.S. Individual Income Tax Return, for the calendar year 2013, which was verified by a written declaration that it was made under the penalties of perjury and which KENNETH J. COLEMAN did not believe to be true and correct as to every material matter. That income tax return, which was filed with the IRS, reported on line 22 that KENNETH J. COLEMAN earned income in the amount of \$23,564.75, an amount that corresponded to purported dividends paid to the defendant from Keygrip. These purported dividends were derived from Keygrip’s 2013 IRS Form 1120, U.S. Corporation Income Tax Return; however, as the defendant then and there knew and believed, Keygrip’s 2013 federal tax return falsely overstated expenses and understated payments to KENNETH J. COLEMAN. The defendant therefore then and there knew and believed that he had earned more than \$23,564.75 of taxable income during tax year 2013.

In violation of Title 26, United States Code, Section 7206(1).

FORFEITURE ALLEGATION

54. The allegations contained in Counts One and Two of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 982(a)(1) and Title 31, United States Code, Section 5317.

55. Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of an offense in violation of Title 18, United States Code, Section 1956, and pursuant to Title 31, United States Code, Section 5317, upon conviction of a conspiracy to violate Sections 5324(a)(1) and 5324(a)(3) of Title 31, in violation of Title 18, United States Code, Section 371, the defendants, KENNETH J. COLEMAN and MARCUS T. WEATHERSBY shall forfeit to the United States of America all property, real or personal, involved in the offense and any property traceable thereto. The property to be forfeited includes, but is not limited to, the following:

Money Judgment:

A sum of money equal to the amount of any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to violations of the money laundering conspiracy and structuring conspiracy offenses set forth in this indictment.

56. If any of the property described above, as a result of any act or omission of the defendants:


- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 31, United States Code, Section 5317(c) and Title 28, United States Code, Section 2461(c).

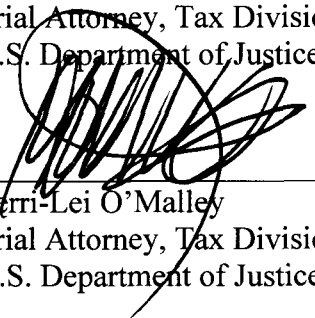
ORIGINAL SIGNATURE ON FILE
FOREPERSON

ABE MARTINEZ
ACTING UNITED STATES ATTORNEY

By:


Sean Beaty

Trial Attorney, Tax Division
U.S. Department of Justice


Terri-Lei O'Malley
Trial Attorney, Tax Division
U.S. Department of Justice